



HOLLY STREET DECOMMISSIONING PROJECT

Late Backup

Solicitation No.: CLMB301A

Public Presentation on Bid Differences
Austin City Council Work Session - May 10, 2011



May 10, 2011

 **TRC LVI**
IN ASSOCIATION WITH SERVICES



TRC – A Longtime Austin Resident

- TRC has 120 employees in Austin in a variety of scientific and technical disciplines.
- TRC has been a continuous and longtime member of the Austin, Texas business community for almost 25 years.
- TRC is a financially stable, publicly traded company.
- TRC has a strong balance sheet and cash position.
- TRC has participated on City Contracts since 2000; Staff have worked on City projects for almost 20 years.
- TRC has a proven history of local business participation on our numerous City of Austin and State of Texas contracts.

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Experience with Similar Projects

"...thousands of truckloads of demolition debris, asbestos waste and contaminated soil were transported through the CB6 area without a single incident... it has been a pleasure working with [TRC] and the field staff over the past seven years."

Lyle Frank

*Chair – Manhattan
Community Board
6 (CB6)*

Fred Arcaro

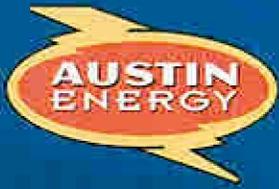
*Chair – Public
Safety,
Environment &
Human Rights*

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Waterside Generating Station – Demolition and Abatement in New York, NY

- Complete abatement and demolition of multi-unit power plant
- Demolition in waterway setting
- Project permitting
- \$20 M DBE participation on the team
- Fixed price contract
- Residential area
- TRC / LVI team
- Multiple demolition techniques
- Materials recycled (metals, oils, and concrete)
- Community relations management
- Global awards for carbon disclosure and reduction
- Redevelopment (mixed-use)
- Environmental remediation

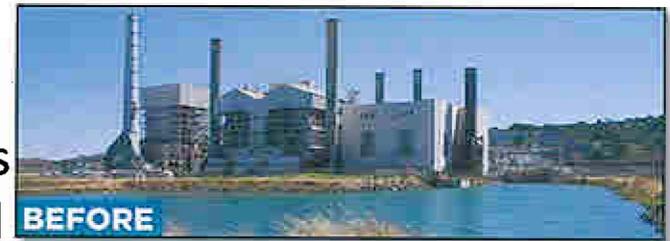




Experience with Similar Projects

Power Plant– Demolition and Abatement for a Confidential Client in CA

- Complete abatement and demolition of multi-unit power plant
- PCB, asbestos and lead abatement
- Project permitting – multiple agencies
- Scope of work through environmental closure
- Fixed price contract
- TRC / LVI team
- Greater than 30% DBE participation
- Multiple demolition techniques/engineered falls
- Brownfield site overlying naturally occurring asbestos bedrock
- 99% of materials recycled (*metals, oils, and concrete*)
- Community relations management in an engaged community
- Adjacent residential community



"I am proud that as a city we are together honoring our commitment to this community."

Mayor Gavin Newsom

May 10, 2011



Local Participation and Outreach

- Outreach efforts are an integral part of TRC's business philosophy - Mentor Enhanced System to Help Expand Development (MESHED) Program
- Early engagement and meaningful participation and scopes of work/mentoring
- Majority of the team is locally based
- Includes participation from Austin Area Black Contractors, U.S. Hispanic Contractors, Asian Contractor and Austin Alliance of Minority & Women Professionals
- We exceeded MBE/WBE participation goals (**34.7% total**)
- Team members from the Holly Street neighborhood
- TRC's commitment to the Holly community

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Pricing: Submittal #1 versus Submittal #2

- The revised RFP eliminated the \$5,000,000 credit for recycling of salvage and scrap materials from the original submission.

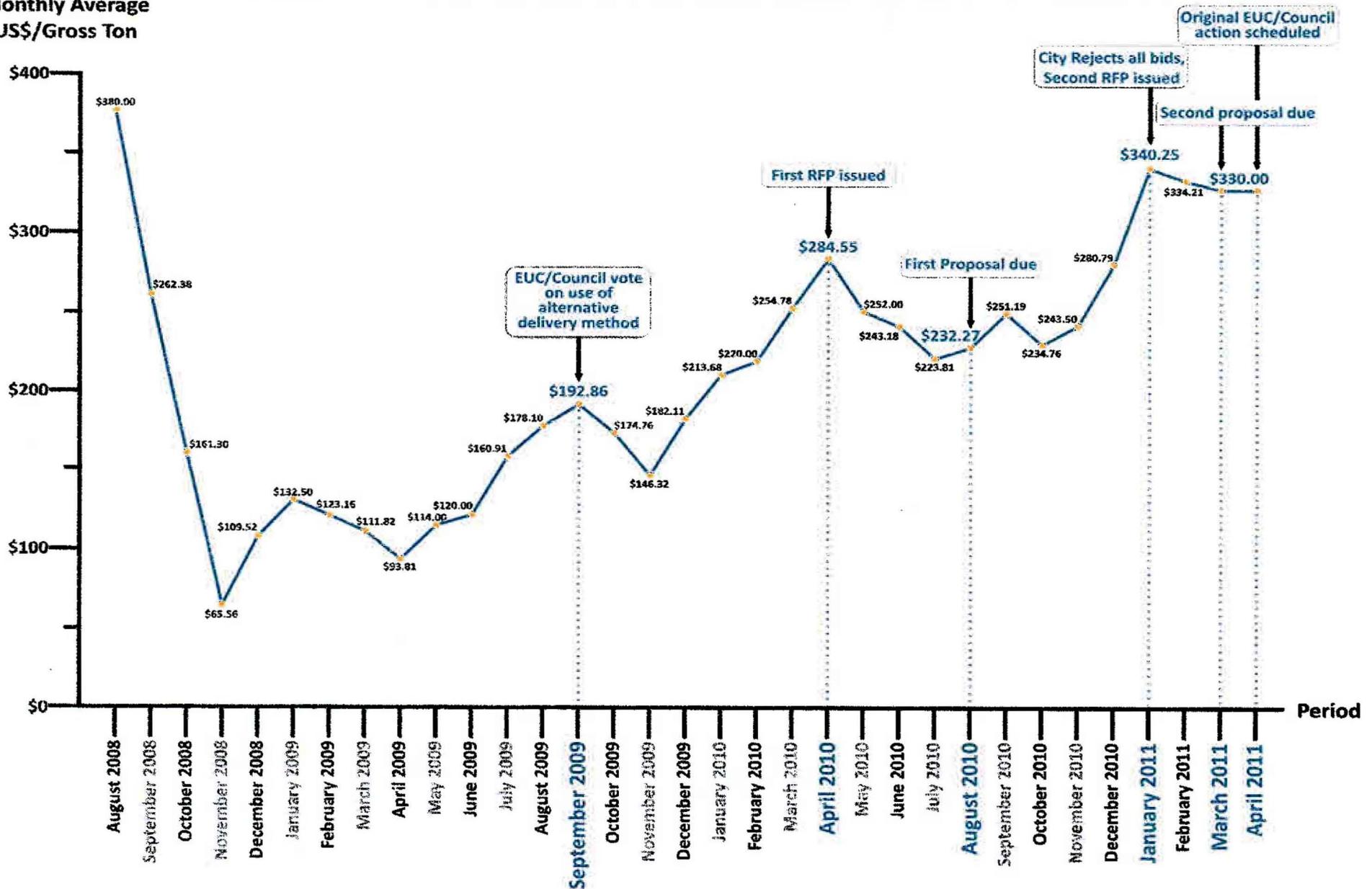
Outcome: \$5 M reduction in price

- Changes in the salvage and scrap metal prices
 - Lower and unstable prices when original proposal submitted
 - Higher and somewhat more stable prices when rebid proposal submitted
 - Trends corroborated by City's Consultant

Outcome: Because of the increased value of scrap and salvage, TRC was able to reduce its net rebid price ≈ \$3 M

Industry Standard Metal Prices August 2008-April 2011

Monthly Average
US\$/Gross Ton



pricing from <http://www.amm.com/Pricing/Custom-Price-Reports.html>



Pricing: Submittal #1 versus Submittal #2 (continued)

- Rebid Addenda #2 clarified that non-asbestos insulation did not need to be treated as if it contained asbestos.

Outcome: Reduction in net rebid price by ≈ \$3 M

- Based on review, updated bid assumptions concerning the scope of site civil work were developed from the clarified rebid scope of work.
- Clarified requirements included storm water management, grouting of underground chambers, fencing, and roadway barriers, and etc.

Outcome: Reduction in net rebid price by ≈ \$1.5 M



Pricing: Submittal #1 versus Submittal #2 (continued)

- Value of recyclable materials is a trade-off between the price received and the cost to transport
- Original bid assumed recycling in East Texas
- For rebid we identified local contractors with a shorter haul and less fuel usage

Outcome: Lower transportation costs by ≈ \$500 K



Pricing: Submittal #1 versus Submittal #2 (continued)

- Price reductions came from lowered direct costs, contingency, risk assessment, and profits for the project.
 - Action consistent with increased focus on price in the second RFP.

Outcome: Lower rebid price by ≈ \$600 K



Pricing: Submittal #1 versus Submittal #2 (continued)

- We considered:
 - The entire RFP package including eight addenda
 - Changes in the prevailing market conditions
 - Alternative, scope compliant, means and methods

Outcome: Significant resultant savings, lowering rebid price



TRC Holly Street Bid Price Clarification

Price Result (Million)	Price Impact (Million)	Clarification
\$24.9	--	Initial Bid Price
\$19.9	~ 5.0	Salvage Credit Requirement (8/2010)
\$16.9	~ 3.0	Forecast – Metals Market Condition Change (with 7/11 Start)
\$13.9	~ 3.0	Non-Asbestos Removal Specification
\$12.4	~ 1.5	Civil Work Scope Clarifications
\$11.9	~ 0.5	Use of a Closer Recycling Center
\$11.5	~ 0.6	Profit/Contingency/Direct Cost Reductions

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Summary

- As provided by **Section 271.116** (Texas Local Government Code) **Austin Energy contracted under the competitive sealed proposal method** for the Holly Street Power Plant Decommissioning Project.
- The competitive sealed proposal method allowed City staff to review, evaluate, and rank proposals **based on stated evaluation criteria rather than awarding to the lowest responsive bid received.**
- TRC prepared proposals **fully responsive to the parameters the City established** and we followed the process exactly as required in both solicitations.
- TRC's proposals were **scored highest** offering the **best technical merits** and **overall best value** to the City **by two separate evaluation panels during the solicitation process.**
- We have a **unique, inclusive, and detailed perspective of community values** related to the project.

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Questions



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